

25 February 2020

To: The President  
The Stock Exchange of Thailand

### Information Memorandum on the Connected Transactions

The Board of Directors' Meeting No. 1/2020 on 25 February 2020 of Goodyear (Thailand) Public Company Limited (the "Company" or "Goodyear Thailand") approved to purchase machines "Hex Bead" for component preparation and "VMI" for tire building to produce radial passenger tires on the land in Pathumthani province on which the existing factory is located ("Project"). The cost is expected to be about THB 96 million. The Board of Directors has also approved the undertaking of transactions in relation to the Project, which are considered the connected transactions between Goodyear Thailand and Goodyear Dalian Tire Company Limited ("Goodyear China"), a subsidiary by The Goodyear Tire & Rubber Company ("Goodyear USA").

This Project is considered as the connected transactions, pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction, dated 31 August 2008 (including any amendment thereto) and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transaction, dated 19 November 2003 (including amendment thereto) (collectively referred to as the "Rules on Connected Transaction"), and the value thereof is 2.6% of NTA which is lower than 3% of the Company's net tangible assets (NTA) of THB 3,738 million (3% of which equals to THB 112 million) as stated in the reviewed financial statements for the year-ended period ended 31 December 2019.

Therefore, under the Rules on the Connected Transaction, the Company is required to disclose the information regarding the Investment to the Stock Exchange of Thailand ("SET").

#### 1. Expected transaction date

25 February 2020

The Company did not have the other connected transactions with the same connected person happening between the 6-month before the date on which that the Project takes place

The previous transaction with the same connected person happened in March 2019 ("the March 2019 transaction") which took place during March and April 2019 and was subsequently ratified by the board of directors in November 2019, is not related to and not intentionally separated from the Project because (1) The machines purchase under the March 2019 transaction required for the quality control development and (2) The Hex bead machine and VMI under the Project will be used for improving factory capability and capacity and deliver customer requirements.

#### 2. The parties involved and their relationships with the Company

The Company intends to undertake the connected transactions relating thereto with Goodyear China for purchasing machines and equipment (Connected Transaction)

|         |                   |
|---------|-------------------|
| Buyer:  | Goodyear Thailand |
| Seller: | Goodyear China    |

The brief information of the connected companies and its relationships with the Company are as followsings:

##### (1) *The Goodyear Tire & Rubber Company, USA (Goodyear USA)*

Goodyear USA is a major shareholder of Goodyear Thailand, currently holding 66.79% of the issued shares in Goodyear Thailand.

Goodyear USA is one of the world's leading tire and aviation tire manufacturer with 49 manufacturing facilities in 22 countries. It operates approximately 1,100 service centers that sell tires and provide auto repair services and is also one of the largest commercial truck service and

tire retreading operators. Goodyear USA grants Goodyear Thailand the right to use its trademarks, manufacturing patents and technical services with respect to machinery, raw materials, information technology and management.

(2) *Goodyear Dalian Tire Company Limited (Goodyear China)*

Goodyear China is a company indirect owned by Goodyear USA 78.32% through Goodyear S.A.

**3. General characteristics of the transactions**

**3.1 Investment transaction**

|                             |   |
|-----------------------------|---|
| Objective                   | To manufacture radial passenger tires and enhance production efficiency   |
| Location                    | The machines will be located on the existing Goodyear Thailand property of the existing buildings.  |
| Products to be manufactured | Radial passenger tires Component & Radial passenger tires.  |
| Target customers            | Car manufacturer and consumer.  |
| Investment timeframe        | 25 February 2020<br>The source of funds will be utilized in the following order:<br><ol style="list-style-type: none"> <li>1. The Company's existing cash on hand</li> <li>2. Future cash flow from operations including existing base business and the new radial aviation tire business.</li> </ol> |

**3.2 Characteristics of the connected transactions**

Execution of capital equipment between Goodyear Thailand and Goodyear USA (Capital purchases)

Estimated transaction value: Baht 96 Million

Description: Goodyear Thailand will purchase capital equipment from Goodyear China to manufacture radial passenger tires and enhance production efficiency

**3.3 Connected transaction**

The following table shows the calculation of the connected transactions' value as stated in the Rules on Connected Transaction.

| Calculation of transaction size for connected transaction                        |  | Unit: THB million |
|--|--|-------------------|
| Execution of capital equipment and services supply agreement (Capital purchases) |  |                   |
| Value of connected transaction (estimated)                                       |  | 96                |
| Net tangible assets ("NTA") of Goodyear Thailand*                                |  | 3,738             |
| <b>Size of connected transaction (% of NTA)</b>                                  |  | <b>2.6%</b>       |

\* Based on the reviewed financial statements of Goodyear Thailand for the year ended period ended 31 December 2019

The connected transactions constitute the transaction size of 2.6% of the Net Tangible Asset value (NTA) of the Company which is lower than 3 percent of the NTA of the Company, calculated based on the reviewed financial statements of the Company for the year-ended period ended as of 31 December 2019.

Therefore, under the Rules on Connected Transaction, the Company is required to disclose the information regarding the Project to the SET.

#### 4. Total value of consideration and payment method

##### Connected transactions

##### (1) Execution of capital equipment (Capital purchases)

(i) Total value of consideration  
Approximately THB 96 Million

(ii) Payment method  
The Payment is expected to be executed through the existing intercompany payment system between Goodyear Thailand, Goodyear China.

#### 5. Rules of total value of consideration

##### Connected Transaction

Goodyear Thailand will purchase capital equipment to manufacture radial passenger tires.

The purchase price will be charged based on the Net Book Value plus 30.0% mark up in compliance with Goodyear Group's transfer pricing policy.

#### 6. Source of funds

The Company expects to utilize the following sources of funds to proceed with the Investment in the following order:

1. The Company's existing cash on hand
2. Future cash flow from operations including existing base business and the new radial aviation tire business

#### 7. Directors who have interest

| Name                 | Position                         | Relationship                         |
|----------------------|----------------------------------|--------------------------------------|
| Mr. Luca Crepaccioli | Managing director of the Company | • Director nominated by Goodyear USA |
| Mr. Gino Garzarella  | Director of the Company          | • Director nominated by Goodyear USA |
| Mr. Andrew Cooper    | Director of the Company          | • Director nominated by Goodyear USA |
| Mr. Michael Martens  | Director of the Company          | • Director nominated by Goodyear USA |
| Mr. WeeHong Kek      | Director of the Company          | • Director nominated by Goodyear USA |

**8. Characteristics and scope of interests of connected persons upon agreement to enter into such connected transaction**

Goodyear USA which is a major shareholder of the Company, holding 66.79% of shares in the Company, have a conflict of interest in the connected transaction in addition to 5 directors mentioned in section 7. **“Directors who have interest”**.

Goodyear China is major shareholding and controlling by Goodyear USA.

**9. Meeting attendance and voting of directors having interest/are connected persons**

The 5 directors mentioned in section 7. **“Directors who have interest”** are directors having interest in the connected transactions who were absent from the meeting room to consider and approve the connected transactions in connection with the Project of the board of directors meeting No. 1/2020 and have no right to vote in the meeting to approve the connected transactions.

**10. Opinion of the board of directors concerning a decision to enter into a transaction**

The board of directors meeting No. 1/2020 was of the opinion that the Project and the connected transactions were beneficial for the Company and the shareholders as a whole and made under fair and reasonable terms and conditions. Therefore, the meeting considered and unanimously approved the Project and the connected transactions relating thereto. The directors who have an interest in the connected transactions did not participate in the vote.

**11. Opinion of the Company’s Audit Committee and/or directors which are different from the opinions of the Board of Directors under section 10.**

None

Please be informed accordingly.

Yours Sincerely,



(Dr.Dhiraphorn Srifuengfung)  
The Chairman of the Board of Directors